

weaving industry of Hathras. The State, Cooperative and private sector spinning mills in the region also have their own arrangements for sale of yarn to the weaving industry in Hathras through private dealers. However, Government are willing to consider specific cases, if and when they are brought to their notice.

[English]

Overdrawal of Funds by States

4235. SHRI C. SRINIVASAN : Will the Minister of FINANCE be pleased to state :

(a) The States which has sought permission from the Union Government for overdrawal of funds from the Reserve Bank of India for financing various developmental schemes in their respective States during the last two financial years;

(b) the funds allocated to Tamil Nadu by the Union Government during 1988-89 and 1989-90;

(c) whether these funds were spent by the Government of Tamil Nadu for the same purposes for which the allocation was made; and

(d) if not, the action taken by the Union Government in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHANTARAM POT-DUKHE) : (a) The transactions of State Governments with the Reserve Bank of India are governed by the Overdraft Regulation Scheme under which :

(i) A State Government is authorised to draw up to the Ways and Means limit specified for the Government, and

(ii) Should the State Government

remain in overdraft beyond 7 consecutive working days over the authorised Ways and Means limit, the Reserve Bank of India suspend payments on behalf of the State Government.

Some State Governments namely, Kerala, Maharashtra, Manipur, Orissa, Tamil Nadu and Uttar Pradesh have requested for increasing their Ways and Means limit for their States.

(b) The net Central assistance to Tamil Nadu for their annual plan for 1988-89 was Rs. 386.43 crores and for 1989-90 was Rs. 428.25 crores.

(c) and (d) Central assistance for State plan is allocated in the form of block loan and block grant for the plan as a whole subject to achievement of expenditure targets for certain specific earmarked schemes, including the minimum needs programme. Government of Tamil Nadu reported total plan expenditure of Rs. 1296.00 crores in 1988-89 and Rs. 1466.00 crores in 1989-90 against the revised plan outlays of Rs. 1201.93 crores and Rs. 1396.71 crores respectively. However, as under the minimum needs programme/earmarked schemes some shortfall in expenditure was projected with reference to the allocations in the revised plan outlay, a proportionate out of Rs. 9.14 crores for 1988-89 and Rs. 2.48 crores for 1989-90 was made out of Central assistance for State plan.

[Translation]

**Alleged Corruption and Irregularities in
B. I. C. Limited, Kanpur**

4236. SHRI HARI KEWAL PRASAD : Will the Minister of TEXTILES be pleased to state :